

July 26, 2002

Mr. William Hobbs
Chief Executive Officer
Williams Energy Marketing & Energy Trading Company
One Williams Center
Suite 4100
Tulsa, OK 74172-0172

Re: Fact-Finding Investigation of Potential Manipulation of Electric and Natural Gas
Prices, Docket No. PA02-2-000

Dear Mr. Hobbs:

On June 4, 2002, the Commission issued a Show Cause Order in this proceeding (99 FERC ¶ 61,272 (2002)). That Order directed Williams Energy Marketing & Trading Company (Williams) to show cause why Williams' market-based rate authority should not be revoked, based on a failure to straightforwardly answer a portion of the Staff's May 8, 2002, data request on trading strategies.

In response to the Show Cause Order, Williams provided several supplemental responses to Staff's data request. By this letter, I advise you that I have reviewed all of your supplemental responses, and I conclude that they respond to the May 8, 2002, data request. A copy of this letter will be forwarded to the Commissioners and posted on the Commission's web site for Docket No. PA02-2-00.

Very truly yours,

Donald J. Gelinas
Associate Director
Office of Markets, Tariffs and Rates

cc: Chairman Wood
Commissioners Breathitt, Brownell, and Massey